

Bay Area Transportation Authority
Board of Directors, Policy # 1
Conflict of Interest

General Information

BATA depends upon a governing board whose members give their time for the benefit of the community and recognizes that because of the varied interests and involvements of its members, service may at times result in situations involving real or apparent conflicts of interest. Believing that service should not be rendered impossible solely by reason of these conflicts, the matter shall be handled through full disclosure of such interests and non-involvement in any decision in which conflict is in question.

The foregoing requirements shall not be construed so as to prevent a board member from briefly stating his or her position on the matter, nor from answering pertinent questions of other members since his or her knowledge may be of great assistance.

General Guidelines

Conflict of interest exists when a board member or immediate family member (specifically including spouses, children/stepchildren, and parents) has an ***affiliation or material financial interest*** under any of these circumstances:

- Serves as a board member of a BATA tenant, partner organization, contracted organization;
- Is him/herself or has an immediate family member doing business with a tenant, partner organization, or contracted organization;
- Has a financial interest in a tenant, partner organization, or contracted organization;
- Has an immediate family member employed by BATA who would be positively or negatively affected by a particular board decision.

Why BATA board members should avoid conflicts of interest:

- They can create substantial legal liability if they violate the law.
- They can compromise the decision-making process and in some cases prevent the board from acting in the best interest of BATA.
- They carry the risk of negative public perception, which can reflect poorly on BATA.

Conflict of interest situations are expected and must be handled responsibly by taking the following measures.

- Each board member shall annually complete and file the attached Conflict of Interest Questionnaire with the Executive Director. This provides notification of any anticipated potential conflict of interest situations that may arise in the organization's normal course of business.
- The agenda of all board meetings shall include a time prior to discussion of all pending agenda items when directors shall disclose any conflict of interest pertaining to any item on the

agenda. The board member in conflict, or perceived conflict, shall disclose his/her situation to the other members of the decision-making body, prior to deliberation by the body of the issue in question.

- The board member in conflict must abstain from voting or using his/her personal influence on the issue in question. Minutes of the meeting must reflect any abstention from voting.

Failure to Disclose

If any board member or the Executive Director, has reasonable cause to believe that a board member has failed to disclose a conflict of interest or potentially a perceived conflict of interest, he/she shall inform such board member of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose. If, after hearing the response and making such further investigation as may be warranted in the circumstances, the Board of Directors or the Governance Committee determines that such board member has in fact failed to disclose a conflict, it shall take appropriate disciplinary and corrective action, which may include removal from the Board of Directors or a committee thereof, as determined by a majority of the disinterested directors or committee members.

Compensation, Gifts and Favors

In the event that a board member receives compensation, directly or indirectly, from BATA, such board member shall be precluded from voting on matters pertaining to such compensation. The exceptions are receipt of a designated board stipend or reasonable fixed sum for meeting attendance that has been formally approved by the board, and/or a reasonable fixed sum for meals, if any, that a board member may receive for attendance at each regular or special meeting of the Board of Directors. The organization may provide reasonable reimbursement of Directors for expenses incurred in conjunction with carrying out Board responsibilities, such as travel expenses to attend Board meetings or conferences.

A board member shall not accept, and shall discourage the board member's immediate family members from accepting, any gift or favor where the board member has reason to believe that the gift or favor is given in order to influence the individual's actions as a member of the Board of Directors, or where acceptance of such gift or favor may give the appearance of influencing the individual's actions as a member of the Board of Directors. This applies to BATA's vendors, suppliers, partner organizations, or other business partners of BATA.

"Compensation" includes, but is not necessarily limited to, direct and indirect remuneration, as well as gifts or favors that are substantial in nature (which shall be defined as gifts and favors the fair market value of which is in excess of \$50).

Summary

Our Conflict of Interest Policy assists us in educating the board members about their responsibilities and allows for full disclosure of conflict of interest situations responsibly. Each member of the board should review, complete, and sign the attached Conflict of Interest Questionnaire annually.

**Bay Area Transportation Authority
Annual Conflict of Interest Questionnaire**

Pursuant to the purposes and intent of the BATA Conflict of Interest Policy, I hereby disclose that I, or members of my immediate family (spouse, children/stepchildren, parents), have the following **affiliations or material financial interests** which, when considered in conjunction with my position with or relationship to BATA, might possibly constitute a conflict of interest (if none, write "None"):

1. Organizations, profit and non-profit, in which I am, or an immediate family member is, a member, director, trustee, employee, or agent that has or may have any direct or indirect financial relationship with BATA:

2. With respect to each such organization, provide the following: name of organization; capacity (officer, etc.); effective dates and nature of relationship with BATA; and the nature of my financial interest or that of an immediate family member:

3. Any other activity or relationship which I, or members of my immediate family, may have, or that may be regarded or perceived as constituting a conflict or potential conflict of interest:

It shall be the duty of any person related to BATA to disclose on a regular basis the occurrence of any event which produces a conflict, a potential for conflict, or the perception of a conflict, between the dates of submittal of any Conflict of Interest Questionnaire.

I certify that the information contained on the Conflict of Interest Questionnaire is complete and true, and that I have received, read, understand, and will comply with the spirit and intent of the Conflict of Interest Policy.

Signature: _____

Date: _____

Name (print): _____